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Attorneys for Nominal Defendant The Clorox Company; Defendants Daniel Boggan, Jr., Richard T. Conti, Tully M. Friedman, Daniel J. Heinrich, Gerald E. Johnston, Robert W. Matschullat, Dean O. Morton, Lawrence S. Peiros, Karen M. Rose, Lary R. Scott, G. Craig Sullivan, and Carolyn M. Ticknor; and Specially Appearing Defendants George J. Harad, Christoph Henkel, William R. Johnson, Gary G. Michael, Klaus Morwind, Jan L. Murley, Michael E. Shannon, Pamela Thomas-Graham, and C.A. Wolfe

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

DORIS STAEHR, Derivatively On Behalf of
THE CLOROX COMPANY,

Plaintiff,

v.

FRANK A. TATASEO, LAWRENCE S.
PEIROS, GEORGE C. ROETH, STEVEN S.
SILBERBLATT, KEITH R. TANDOWSKY,
GREGORY S. FRANK, WAYNE L. DELKER,
DANIEL J. HEINRICH, LAURA STEIN,
WARWICK EVERY-BURNS, LARY R. SCOTT,
GARY C. MICHAEL, DANIEL BOGGAN, JR.,
TULLY M. FRIEDMAN, ROBERT W.
MATSCHULLAT, JAN L. MURLEY,
MICHAEL E. SHANNON, CAROLYN M.
TICKNOR, PAMELA THOMAS GRAHAM,
GEORGE J. HARAD, C. CRAIG SULLIVAN,
GERALD E. JOHNSTON, WILLIAM F.
AUSFAHL, JOHN W. COLLINS, ANTHONY
W. BIEBL, JANET M. BRADY, KAREN M.
ROSE, RICHARD T. CONTI,
[Caption continued on following page],

DERIVATIVE ACTION

Case No. C-06-7370-MJJ

**STIPULATION AND
[REDACTED] ORDER
EXTENDING TIME TO
RESPOND TO PLAINTIFF'S
AMENDED SHAREHOLDER
DERIVATIVE COMPLAINT**

Judge: Honorable Martin J. Jenkins
Dept: Courtroom 11, 19th Floor

1 GLENN R. SAVAGE, DAVID G. MATZ,
2 SCOTT A. WEISS, SCOTT D. HOUSE,
3 DANIEL G. SIMPSON, PETER D. BEWLEY,
4 EDWARD A. CUTTER, PAMELA FLETCHER,
5 C. A. WOLFE, EDWARD L. SCARFF, DEAN O.
6 MORTON, CHRISTOPH HENKEL, URSULA
FAIRCHILD, FORREST N. SHUMWAY,
JAMES A. VOHS, JUERGEN MANCHOT,
JOCHEN KRAUTTER, KLAUS MORWIND,
ELAINE L. CHAO, WILLIAM R. JOHNSON,
and DOES 1-25, inclusive,

7 Defendants,

8 -and-

9 THE CLOROX COMPANY, a Delaware
10 Corporation,

11 Nominal Defendant.

STIPULATION

Pursuant to Civil Local Rules 6-1, 6-2, 7-12, and paragraph 7 of the Court's Standing Order, Plaintiff Doris Staehr and the defendants who have been served to date, which include: Nominal Defendant The Clorox Company, Defendants Daniel Boggan, Jr., Richard T. Conti, Tully M. Friedman, Daniel J. Heinrich, Gerald E. Johnston, Robert W. Matschullat, Dean O. Morton, Lawrence S. Peiros, Karen M. Rose, Lary R. Scott, G. Craig Sullivan, and Carolyn M. Ticknor, and Specially Appearing Defendants George J. Harad, Christoph Henkel, William R. Johnson, Gary G. Michael, Klaus Morwind, Jan L. Murley, Michael E. Shannon, Pamela Thomas-Graham, and C.A. Wolfe, hereby stipulate as follows:

1. On August 4, 2006, Plaintiff filed her shareholder derivative complaint on August 4, 2006 (the "Original Complaint") in the Superior Court of the State of California for Alameda County asserting nine causes of action and naming twenty-one individual defendants and Nominal Defendant The Clorox Company ("Clorox"). The Original Complaint pleaded causes of action for unjust enrichment, breach of fiduciary duties for approving improperly dated stock option grants, breach of fiduciary duties for insider selling and misappropriation of funds, abuse of control, gross mismanagement, waste of corporate assets, accounting, rescission, and constructive trust. (Lobdell Declaration. ¶ 2.)¹

2. On September 1, 2006, Clorox filed and served a demurrer to the Original Complaint, arguing that Plaintiff lacked standing to bring her derivative suit on behalf of Clorox because she had not made a pre-suit demand on the Clorox's board of directors and she had not pleaded with particularity that demand was excused. (*Id.* ¶ 3.)

3. During the months of August and September 2006, the already-served defendants agreed to accept service of process without waiving any defenses (including their right to assert that they are not subject to personal jurisdiction in California). (*Id.* ¶ 4.)

¹ Citations to the "Lobdell Declaration" are to the Declaration of Judson E. Lobdell that is being filed concurrently with and in support of this Stipulation pursuant to the requirements of the Court's Standing Order.

4. On September 28, 2006, Plaintiff filed a notice of her intent to file an amended complaint, and defendants subsequently granted Plaintiff an extension of time to file her amended complaint. (*Id.* ¶ 5.)

5. On November 3, 2006, Plaintiff filed her Amended Shareholder Derivative Complaint (the “Amended Complaint”). (*Id.* ¶ 6.)

6. The Amended Complaint added twenty-seven new individual defendants who were not named in the Original Complaint. The Amended Complaint reasserted the causes of action pleaded in the Original Complaint and added three new causes of action: violation of California Corporations Code Section 25402, violation of California Corporations Code Section 25403, and violations of Section 16(b) of the Securities and Exchange Act of 1934 (the “Exchange Act”). (*Id.* ¶ 7.)

7. On December 1, 2006, after giving advance notice to Plaintiff, all defendants who have been served to date removed the case to this Court on the ground that federal courts have exclusive subject matter jurisdiction over Plaintiff’s Section 16(b) claim pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and supplemental jurisdiction over all other claims. (*Id.* ¶ 8.)

8. The twenty-seven newly added individual defendants include current and former directors, officers, and other executives of Clorox, many of whom live in other states or foreign countries. They have not yet been served with the Amended Complaint. (*Id.* ¶ 9.)

9. Counsel are diligently pursuing efforts to coordinate service of process and representation of the newly added individual defendants. Counsel for the already-served defendants are in the process of contacting defendants who have not yet been served to discuss issues including accepting service of process on their behalf. (*Id.* ¶ 10.)

10. A response to the Amended Complaint from the defendants who have been served in this action to date would be due on December 8, 2006, pursuant to Federal Rule of Civil Procedure 81(c). (*Id.* ¶ 11.)

11. The parties have met and conferred and agree that it will promote efficiency and orderly administration of justice if the time allowed to each defendant already served to respond

1 to the Amended Complaint is extended in light of the service of process and representation issues
2 discussed above. (*Id.* ¶ 12.)

3 THEREFORE, the parties hereby stipulate, subject to the Court's approval, that no
4 defendant shall be required to respond to the Amended Complaint before January 19, 2007.

5 Dated: December 6, 2006

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9 By: /s/ Judson E. Lobdell [e-filing signature]

10 Attorneys for Nominal Defendant The Clorox
11 Company; Defendants Daniel Boggan, Jr., Richard
12 T. Conti, Tully M. Friedman, Daniel J. Heinrich,
13 Gerald E. Johnston, Robert W. Matschullat, Dean
14 O. Morton, Lawrence S. Peiros, Karen M. Rose,
15 Lary R. Scott, G. Craig Sullivan, and Carolyn M.
16 Ticknor; and Specially Appearing Defendants
George J. Harad, Christoph Henkel, William R.
Johnson, Gary G. Michael, Klaus Morwind, Jan L.
Murley, Michael E. Shannon, Pamela Thomas-
Graham, and C.A. Wolfe

17 DATED: December 6, 2006

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Fax: (619) 525-3991

21 By: /s/ Marc M. Umeda [e-filing signature]

22 Attorneys for Plaintiff

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[REDACTED] ORDER

On the stipulation of the parties, and good cause appearing,

IT IS SO ORDERED this 7th Day of December, 2006.



Honorable Martin J. Jenkins
UNITED STATES DISTRICT COURT JUDGE

ECF ATTESTATION

I, Mark Foster, am the ECF User whose ID and Password are being used to file this:

**STIPULATION AND [PROPOSED] ORDER EXTENDING TIME TO RESPOND TO
AMENDED COMPLAINT**

In compliance with General Order 45, X.B., I hereby attest that Judson E. Lobdell and
Marc M. Umeda have concurred in this filing.

DATED: December 6, 2006

MORRISON & FOERSTER LLP

By: /s/ Mark Foster [e-filing signature]